

Offers to assist President Obama with new trade and investment rules.

Washington, DC – Today, Rep. Linda Sánchez (a Member of the Ways and Means Trade Subcommittee), along with several other Ways and Means members and Energy and Commerce Chairman Henry Waxman, sent a letter to President Obama offering assistance in developing the Trans-Pacific Partnership free trade agreement (TPP). The TPP presents the President's first opportunity to put his own stamp on a free trade agreement, rather than simply advance agreements negotiated by the prior Administration.

“Trade is an important piece of the economy that is vital to our economic recovery,” said Rep. Linda Sánchez.

“But for too long, working Americans have seen NAFTA-style trade agreements shut down their workplaces ship their jobs overseas. We need to be sure that all Americans see and feel the benefits from trade, not just a narrow class of special interests.”

The letter outlined many concerns with current investment rules and the investor-state dispute resolution mechanism in particular. Current investment rules provide broad rights to foreign investors that play a role in incentivizing the off-shoring jobs, opening American health and safety laws up to challenge in foreign tribunals, and leaving some American businesses at a disadvantage against their foreign counterparts. The practice of allowing foreign corporations to sue the U.S. government in international tribunals bypasses the well-established U.S. court system and can undermine state and national efforts to protect the environment.

In other areas of international law, disputes are settled between nations, not between a nation and a foreign business concern. This discrepancy creates a concern that foreign businesses have greater rights than home-grown American businesses.

The letter offered several ideas for improving the investment rules to level the playing field and better protect domestic policymaking. The authors hope the President will find the ideas worthy of consideration and that the letter will spark a fruitful discussion.

Continued Rep. Sánchez, **“I hope this letter encourages the Administration to reconsider**

the way trade has been approached in the past so that future agreements are a win-win proposition for American businesses and American workers. Trade should grow our economy without jeopardizing health, safety, and the environmental laws that protect our families from harm.”

Further, there is little justification for the presence of investor-state dispute settlement mechanism in a free trade agreement between developed countries. Many countries meet international standards with respect to the rule of law and previous trade agreements with Australia and Canada provide relevant precedent for not including investor-state dispute settlement provisions.

The letter was signed by Reps. Linda T. Sánchez, Henry Waxman, Lloyd Doggett, John Lewis, Bill Pascrell, Fortney “Pete” Stark, and Danny K. Davis.

Rep. Linda T. Sánchez is a Member of the President’s Export Council.